FRONTWATER CAPITAL
INVESTMENT COUNSEL

Financial Planning Calculator

A guide to the calculators: entering a plan, reading the results, the advisor tools and what the numbers mean.

Contents

The Frontwater Capital Financial Planning Calculator at fpcalculator.frontwater.ca projects a Canadian household's cash flow, net worth, tax and estate year by year, from today to the end of the plan. This manual walks staff through entering a plan, reading the results, using the advisor tools and explaining the numbers to clients.

1. Getting started

Open fpcalculator.frontwater.ca in any browser on a computer, tablet or phone. There is nothing to install or sign in to.

Privacy

Everything is calculated in the browser. Nothing a client enters is sent to Frontwater or anyone else. The browser remembers the last plan on that device, so on a shared computer use **Start over** before handing it to someone else.

Screen layout

Area	What it shows
Header	Frontwater logo (links to frontwater.ca) and the four file buttons
Navy title band	Calculator name
Live strip	Plan status, retirement year, sustainable spending, amount to heirs, net worth today. Updates on every keystroke.
Step tabs	1 Household · 2 Income & pensions · 3 Accounts · 4 Properties · 5 Retirement goals · 6 Assumptions · 7 Your plan
Main card	The fields for the current step, with Back / Next buttons at the bottom
Footer	Disclaimer and the "Talk to an advisor" button (emails invest@frontwater.ca)

Header buttons

Button	What it does
Load example	Replaces the inputs with a sample couple (Alex and Sam, Ontario). Good for demos and training.
Start over	Clears everything to a blank plan.
Save	Downloads the inputs as a small .json file.
Open	Loads a saved .json file back in.

You can move between steps in any order by clicking the tabs. The live strip always reflects every step, so a client sees the effect of each answer immediately.

2. Entering a plan

Work through steps 1 to 6 with the client, then open step 7. Dollar amounts are **today's dollars** unless a hint says otherwise; the plan adds inflation. Income fields are gross (before tax); spending fields are after tax.

Step 1 — Household

Field	Notes
Just me / My spouse or partner and me	Choosing a couple turns on pension splitting, spousal RRSPs, joint accounts and survivor benefits, and adds a second column for every per-person field.
Province or territory	Drives provincial tax, probate fees and QPP/QPIP for Quebec.
First name, Year of birth	The age this year appears under the year.
Children's ages	Comma-separated, e.g. `12, 9`. Used only for RESP grants and payouts at 18–21. Leave blank if none.

Step 2 — Income & pensions

Field	Notes
Employment income, Expected raises	Gross per year. Raises include inflation, so 2.5% is roughly 0.4% above inflation.
Retirement age	Employment stops at this age. **This sets the retirement year shown in the live strip**: the first year neither spouse is working.
CPP/QPP at 65, % of max	From the client's My Service Canada Account (or Retraite Québec) statement, as a share of the maximum ($18,092/yr in 2026). The average new pension is about 60%.
Start CPP/QPP at age	60–70. −0.6% a month before 65, +0.7% a month after.
Start OAS at age, Years in Canada after 18	65–70, +0.6% a month deferred, +10% at 75. 40 years' residence earns full OAS.
Workplace DB pension	Annual amount in dollars of the year it starts, start age, indexing, (couples) survivor %, and the yearly **pension adjustment** from T4 box 52, which reduces next year's RRSP room. Put a DC plan on step 3 instead; its contributions reduce RRSP room automatically.
Other taxable income	Part-time or consulting income in today's $, with from/to ages. Enter rental properties on step 4 instead, so their mortgage, costs and tax are modelled.

Step 3 — Accounts

Add one row per account with the **+ account** buttons: Cash/HISA/GIC, TFSA, FHSA, RRSP, Spousal RRSP (couples), RRIF, LIRA, DC pension plan, LIF, Non-registered, RESP. For each, set owner, balance today, yearly contribution and investment mix. The mix dropdown shows the expected return after fees, e.g. Balanced (60/35/5).

- Contributions happen only while the owner works (RESP contributions continue while there are children under 18) and rise with inflation.
- RRSP, spousal RRSP, TFSA and FHSA rows have an **Amount / Maximum** switch in the contribution field. **Maximum** shows what it means in dollars, e.g. "$15,000 this year, then about $17,640 a year": the unused room first, then each year's new room (18% of last year's earnings for an RRSP, the annual limit for a TFSA, $8,000 a year up to $40,000 for an FHSA). If no unused room has been entered it says so, with a link to the **Contribution room** card. A spousal RRSP uses the contributing spouse's room. Switching back to **Amount** fills in a normal year's maximum as a starting point.
- Only cash, non-registered and RESP accounts can be joint.
- Non-registered accounts also need the adjusted cost base (ACB). RRSP and DC rows take an employer contribution. An FHSA can take a home purchase year.
- The **Contribution room** card takes each person's unused RRSP and TFSA room from their CRA notice of assessment, and a first-time home buyer checkbox that makes the FHSA available.

Step 4 — Properties

Section	Fields
Principal residence	Value, growth, year bought, cost plus improvements. Enter zeros for renters.
Mortgage	Balance, rate and **years left to pay (amortization)**. The monthly payment is calculated with Canadian semi-annual compounding, and the first year's interest and principal are shown underneath. Set the years to 0 to type a payment instead.
Property tax	This year's amount and how fast it rises each year. It falls in proportion if the client downsizes.
Downsizing	Age (of the first person) to downsize and equity released in today's $, which is invested in a non-registered account.
Other assets and debts	Vehicles, art or business interests; car loans or lines of credit with rate and monthly payment.
Cottage or second property	Tick **We own a cottage or second property** to include one. Then value, cost, year bought, growth, yearly costs, owner, and what happens to it: keep and leave in the will, transfer to the children while alive (gift, or a 5-year promissory note), or sell. Also whether to split the principal residence exemption between home and cottage.
Rental properties	Up to four, with **+ Add a rental property**. See the table below.
Life insurance	Optional joint last-to-die policy sized to the projected tax and probate, or a set amount. The premium rate is a placeholder; replace it with a real quote.

Rental properties

Field	Notes
Name, owner	Owner can be either spouse or joint; joint rental income and gains are split evenly.
Value, cost, year bought, value growth	Cost is what was paid plus improvements (the adjusted cost base), used for the capital gain.

Field	Notes
Rent increases	**With inflation** (default) or **At a rate I choose**, which adds a rent growth %. Costs always rise with inflation.
Mortgage	Balance, rate and years left, with the monthly payment and first year's interest and principal, as for the home. Set the years to 0 to type a payment.
Cash flow	Switch between **Net income** (one yearly figure: rent less all running costs, before the mortgage; a loss is negative) and **Rent and costs**: rent per month, vacancy %, property tax, insurance, condo fees per month, maintenance and repairs, property management as a % of rent, utilities and other costs.
Summary box	This year's income after running costs, the monthly cash flow after the mortgage (red if negative), and the taxable income or loss after mortgage interest and depreciation.
Depreciation (capital cost allowance)	**Never claimed**, **Claim it every year**, or **Claimed in past years, but no longer**. When claimed: the building's share of the price (land can't be depreciated; the property tax assessment splits the two), the undepreciated capital cost (UCC) from the client's T776 (leave 0 if nothing has been claimed yet), and the rate (4% for class 1 buildings).
Plan	**Keep it**, or **Sell it** at an age of the first person.

Step 5 — Retirement goals

Field	Notes
Lifestyle spending	Entered **per month**, in today's $, in two columns: **now** and **in retirement** (only one column if everyone is already retired). **Lifestyle only**: leave out income tax, property tax, mortgage and loan payments, car financing and savings; the plan counts those separately.
By category	18 lines in groups: groceries; restaurants; personal care; clothing; rent; hydro, heat and water; phone, internet and streaming; home maintenance and condo fees; furniture and household items; home and auto insurance; car running costs and transit; health and dental; entertainment and hobbies; vacations and travel; childcare and kids' activities; pets; gifts and donations; everything else. **+ Add a line** adds the client's own (a boat, help for parents). Totals per month and per year update as you type.
Typical amounts	Shown beside each line, and **Fill in typical amounts** copies them in (lines the client added are kept). They are a starting estimate from Statistics Canada household spending surveys in 2026 dollars, adjusted for age, single or couple, children's ages, household income, province and whether they own or rent. The retirement estimate assumes children have left home and allows more for travel and health, less for commuting and clothing. Replace them with the client's own numbers.
One total	The switch at the top enters a single monthly figure for now and for retirement instead of categories.
Leave an estate of at least	After tax and probate, today's $.

Field	Notes
Plan to age	Each person, 70–105. 95 is prudent.
Spending as retirement goes on	Two slow-down ages and percentage cuts (go-go, slow-go, no-go years), plus survivor spending as a share after the first death.
Big one-time expenses	Name, year and price in today's $. Choose **One lump sum**, or **Financed or leased** with the number of years and the interest or lease rate: the calculator shows the monthly and yearly payment (a $45,000 car over 5 years at 6.5% is $880 a month) and spreads it over those years.

Step 6 — Assumptions

Field	Default and notes
Inflation, equity, fixed income and cash returns, fees, dividend yield	FP Canada's 2026 Projection Assumption Guidelines: inflation 2.1%, fixed income 3.2%, cash 2.4%, equities 6.4% (a mix of Canadian 6.3%, U.S. 6.4% and international 6.6%; emerging markets are 7.5%). Returns are before fees; the fee is taken off. Lower returns make the plan more conservative.
Canadian share of dividends	Default 50%. Canadian dividends get the dividend tax credit; foreign dividends are taxed like interest.
Wage growth above inflation	Default 1.0% (FP Canada). Average wages drive the CPP a new retiree gets, the CPP earnings limits (YMPE, YAMPE) and the RRSP dollar limit.
Withdrawal order	**Tax-smart** (default): draw RRSP/RRIF up to a target taxable income, then non-registered, TFSA last. Alternatives: non-registered first, RRSP first, or TFSA first.
Draw RRSP/RRIF up to	Tax-smart only. Per person, today's $. $58,523 is the top of the lowest federal bracket.
Money left over each year	Invest it in the TFSA then non-registered, invest it non-registered, or spend it.
Pension splitting	Couples: split eligible pension income up to 50% when it lowers household tax.

3. Reading the results

Step 7, **Your plan**, answers the client's core question first (does the money last?) and then shows the detail year by year.

Today's dollars vs future dollars

The **Today's dollars / Future dollars** toggle above the charts changes every chart and table. Use today's dollars with clients: $80,000 in 2050 means what $80,000 buys now. Future dollars show the actual nominal amounts, which is useful for comparing with a pension statement or a tax return in that year.

Headline cards

Card	Meaning
Plan status	✓ Money lasts through the last plan year, or ✕ Runs short, with the year and age it starts.
Net worth today	Everything owned minus debts, with the invested portion below.
Net worth at retirement	In the first year both are retired.
Sustainable retirement spending	The most the household could spend on lifestyle each year in retirement, after tax and in today's $, without running out of money and while still leaving the estate goal. **What's this?** under the figure gives the definition on screen; hovering over it in the top strip does too.
To your children	Estate after final income tax and probate, with both amounts shown underneath.
Average tax rate in retirement	With lifetime income tax underneath.

Your retirement objectives

A checklist with a coloured badge per line: green = met, amber = worth a look, red = not met.

- **On track / Shortfall** — whether spending is covered every year.
- **Estate** — what the children receive versus the estate goal.
- **Cottage** — whether savings (and insurance) cover the final tax bill without selling the cottage.
- **Headroom** — how much more (or less) than the target the plan could support.
- **OAS clawback** — lifetime OAS lost to the recovery tax, with ideas to reduce it.
- **Years short** — how many years have unfunded spending, and the total.

Your annual budget

The clearest table to walk a client through. It shows this year and the first year of retirement side by side, per year, per month and as a share:

- **Spending** — lifestyle (with its categories listed underneath, scaled to that year's spending), car and one-time payments, mortgage interest, mortgage principal, property tax, other debts, cottage costs, life insurance, rental property costs and mortgage payments, income tax, CPP and EI.

- **Saving** — RRSP and pension plans, TFSA, FHSA, RESP, non-registered, and money left over that the plan invests.
- **Paid for by** — employment, CPP, OAS, pensions, rent received, dividends, property sales and each kind of withdrawal, plus any shortfall.

Spending plus saving always equals what the household takes in. For the example couple in 2026: $147,760 of spending and $36,500 of saving, paid for by $184,260.

Charts

- **Investments by account type** — stacked balances (cash, non-registered, TFSA, FHSA, RRSP/RRIF, LIRA/LIF/DC, RESP) over the whole plan. Watch the RRSP band shrink after 72 as RRIF minimums kick in.
- **Where retirement income comes from** — stacked bars per retirement year: employment, CPP/QPP, OAS, DB pension, other income, rental income after costs, RRSP/RRIF/LIF, non-registered and cash, TFSA.

Hover over (or tap) a chart for that year's figures.

Tables

Tab	Shows
Cash flow	Every source of cash in (income, withdrawals, dividends, rent received, downsizing, cottage and rental sales) and out (lifestyle, one-time and car payments, mortgage interest, mortgage principal, property tax, other debt, cottage costs, insurance, rental costs and mortgage payments, savings, income tax, CPP/EI premiums, surplus invested), plus any shortfall in red.
Net worth	Investments by type, home, cottage, rentals, other assets, mortgage, rental mortgages and other debt, and net worth.
Investment portfolio	Year-end balance of every account, or pick one account to see start, contributions, growth, withdrawals and end each year.
Income tax	Per person: taxable income, federal, provincial, OAS clawback, average and marginal rate; plus pension income split and household total. The marginal rate is the tax on the next $1,000 of income, so it includes the Ontario surtax and health premium, credits that shrink as income rises, and the OAS clawback.

A blue rule marks the first year of full retirement. A † in the Age column means that person has died in the plan.

4. Advisor tools

Two optimizers on the plan page test many alternatives against the full projection and recommend one. Each shows its reasoning, and neither changes the plan until you click **Use**.

Recommended yearly deposits

Finds the best yearly RRSP, TFSA and (for first-time buyers) FHSA deposit for each person still working.

1. Choose the goal: **Most retirement spending**, **Largest estate**, or **Balance spending and estate** (default).
2. Click **Find the best yearly deposits**. A progress bar runs while it tests the mixes.
3. Read the three comparison cards (sustainable spending, estate after final tax, lifetime income tax), each against the current plan.
4. Read the table: planned vs recommended amount per person and account, the average actually deposited (including leftover money swept in), and a plain-language **Why** based on the client's marginal tax rates now and in retirement.
5. Click **Use these deposits in my plan** to apply them, or **Recalculate**.

Applying it switches those accounts from **Maximum** to the recommended amount. It never recommends a mix that runs short, and it keeps RRSP amounts within 18% of income and the yearly limit (plus a catch-up of unused room). If you change inputs afterwards, the card says the result is out of date; run it again.

Cottage and estate

Appears only when a cottage has a value on step 4. The top of the card shows what the current plan means at the second death: cottage value, taxable gain, principal residence exemption used, tax on the cottage, all final taxes, probate, any insurance payout and its return, and the savings available to pay the bill.

Click **Compare ways to pass on the cottage** to test seven strategies:

Strategy	In short
Keep it and leave it in the will	No planning; tax paid from the estate
Keep it, split the principal residence exemption	Shelter the cottage for some years if it gained more per year than the home
Keep it, buy joint last-to-die insurance	Policy sized to the tax and probate, paid to the children tax-free
Give it to the children at retirement	Taxed as a sale that year; later growth is theirs
Sell it to the children at retirement for a 5-year note	Gain spread over five years with the capital gains reserve
Sell it to the children now for a 5-year note	Freezes the parents' gain at today's value
Sell it	Proceeds go into savings; it leaves the family

The recommendation keeps the cottage in the family, still meets the spending target and leaves enough cash to pay the tax without a forced sale. Among those, it picks the one that leaves the children the most. Click **Use the recommended strategy**, or **Use** on any row.

The insurance premium is a placeholder. Replace it with a real quote before drawing conclusions about insurance.

Sustainable spending

The **Sustainable retirement spending** card and the **Headroom** objective answer "how much can we spend?". The calculator raises retirement spending until the plan either runs short or falls below the estate goal. To stress-test it, lower returns or raise inflation on step 6 and watch the number move.

What-if sensitivity analysis

Shows clients which assumptions their plan depends on. Click **Run what-if analysis** (about two seconds), then choose the outcome at the top: **Sustainable spending**, **To heirs** or **Lifetime tax**.

- **Which assumptions matter most** — ten assumptions are each nudged down (blue) and up (bronze): equity and fixed-income returns, inflation, fees, retirement age, life expectancy, CPP and OAS start ages, the spending target and home price growth. The bars are ranked by how far they move the outcome.
- **One assumption across its range** — pick any of the ten to see a line chart across its full range. The client's current setting is marked; red dots show where the plan runs short or the spending target is no longer affordable. **Download CSV** exports the figures.
- **What does this tell me? Explain the results in words** — a panel above the charts that sums up the results in plain language for the outcome selected: the biggest driver and how far it moves the result each way, what comes next, what barely matters, how many of the what-if cases still meet the spending target and estate goal (and which don't), the most useful lever the client controls (e.g. "each year later adds about $8,000 a year of sustainable spending"), and where the one-assumption chart crosses the target. It is written from the analysis's own numbers, so it always matches the charts, and it reminds readers that each case changes one assumption at a time. It stays open once opened.

For the example couple, inflation and retirement age move sustainable spending the most, and the plan still meets its target in all 19 what-if cases. Use this before promising a spending level.

RRIF Drawdown & OAS Planner

A separate page for retired clients: **RRIF planner** in the header, or rrifplanner.frontwater.ca. It answers "how much should I take from my RRIF each year, and when should I start CPP and OAS?"

1. Enter the household: single or couple, province, after-tax spending, plan-to age, and for each person their age, RRSP/RRIF and LIF balances, TFSA balance and unused room, CPP (% of the maximum and planned start), years in Canada for OAS (and planned start), and any workplace pension. Then joint non-registered savings (with ACB) and cash. The assumptions (returns, fees, mix, pension splitting) are under **Assumptions**.
2. Click **Find the best drawdown**. It tests about 1,500–3,000 combinations, each a full projection: a taxable-income target for RRIF draws in four age phases (until 69, 70–71, 72–79, 80+), set separately for each spouse, every CPP (60–70) and OAS (65–70) start age still open, and how the non-registered account is invested. A few seconds for one person, about ten for a couple.
3. Read the result: - **More after tax**: what's left at the end, after all income tax, OAS clawback, the tax on the RRIF at death and probate, versus taking only the RRIF minimum with CPP/OAS as planned. Spending is

the same in every strategy, so this is the extra money the household keeps. Everything is in today's dollars at the same end point, so growth lost on tax paid early (the time value of money) is counted. - **What to do**: the draw level for each age phase and the CPP/OAS start ages, for each spouse separately. A phase shown as "RRIF minimum only" means drawing more there doesn't help. Separate targets matter most before 65, when RRIF income can't yet be split with a spouse; after 65, pension splitting evens incomes out, so whose RRIF the money comes from matters less. - **Why this works**: in plain language, including when the plan deliberately accepts some OAS clawback because drawing (at about 45–47% including the clawback) still beats the top rate (about 54% in Ontario) on a RRIF left at death. Keeping all the OAS is not the goal; keeping the most after tax is. - **How to invest the non-registered account**: four ways of earning the same total return, each with its own best drawdown: Canadian dividend stocks (3.5% yield, eligible dividends), balanced (2%, half Canadian), growth (1%, mostly foreign) and foreign dividend stocks (3%). Canadian eligible dividends are grossed up by 38%, which raises net income and the OAS clawback, but the dividend tax credit usually outweighs it: in the test case they caused the most clawback yet left the most after tax, while foreign dividends (taxed like interest) left about $85,000 less. This compares tax only; the portfolios differ in risk and expected return. - **How much the draw level matters**: after-tax money as one phase's level changes (for couples, pick whose), the rest held at the best. A flat curve means the exact level matters little. - **Taxable income against the OAS clawback line**: each year's income by source, best drawdown or minimum only, per person. - **If life is shorter or longer**: the same strategy at death ages 80, 85, 90 and 95. Deferring CPP and OAS and drawing early usually pays off only with a long life. - **Year by year**: RRIF drawn, taxable income, clawback, tax, RRIF, TFSA and total savings.

Money drawn beyond spending goes to the TFSA (if there's room), then non-registered. The home is left out: it is tax-free and the same in every strategy. The search was checked against thousands of random strategies and always matched or beat the best of them.

For the example (Pat, 65, Ontario, $1.2M RRIF, $80,000 spending): draw up to about $56,000 of taxable income to 69, start CPP and OAS at 70, and draw up to the top of the second federal bracket from 80, for about $70,000 more after tax by 90. As a couple (with a 63-year-old partner holding $300,000), each with their own targets: about $184,000 more. The partner draws up to about $92,500 of taxable income before 70, while their RRIF income can't yet be split.

Business-owner edition: holding company and family trust

fpcalculator-complex.frontwater.ca adds a **Your business** step for owners of a corporation.

- **Operating company**: profit before paying yourself, growth, and how you're paid (dividends only, salary to the CPP or RRSP maximum, or a set salary). Tax uses the 2026 small business and general rates, the passive income grind, RDTOH, CDA and GRIP. Also: what the business itself is worth today (goodwill and operating assets, apart from invested money) and how fast that grows, and whether it's a professional corporation.
- **Selling the business**: tick it and choose the owner's age at the sale, selling costs (% of the price), the shares' cost, whether they qualify for the lifetime capital gains exemption (qualified small business shares: held 24 months, over 50% active business assets for 24 months, 90% at the sale) and whether the buyer is unrelated. Business profit stops at the sale and the price, less costs, comes in as cash. Without a sale the business is assumed to wind down at retirement. Each person's first **$1,275,000** of gain (2026, indexed) is tax-free.
- **Holding company**: tick it and the operating company sends its after-tax profit up each year as a tax-free inter-company dividend; the holding company invests it and pays the family. The tax is the same either

way (the companies are associated); the structure protects the money from the business's creditors and keeps the operating company's shares eligible for the capital gains exemption on a sale.

- **Family trust**: tick it to have a trust own the holding company's growth shares from a chosen year. At that point the owner's shares are **frozen** at the company's value (an estate freeze): the owner keeps that value, and growth afterwards belongs to the trust. Enter the setup cost (default $6,000), the yearly cost (default $3,000), and what happens at **21 years**, when a trust is taxed as if it sold everything:
- **Pass to the children** (tax-free): growth stays out of the parents' estate, but afterwards the parents can only draw on their frozen shares.
- **Pass to the owner and spouse** (tax-free): the parents keep full access; the freeze benefit ends.
- **Stay in the trust**: taxed on half the growth at the top rate. The trust has no cash of its own, so paying it takes a large dividend out of the company, taxed again. Usually the costliest choice.
- **The spouse and family members**: the plan applies the **tax on split income (TOSI)** to each person, every year, and pays someone through the trust only where it saves tax:
- Under 18: always taxed at the top rate, so never paid.
- The owner's spouse: taxed at their own rates once the owner is 65, or if the spouse works in the business an average of 20+ hours a week. Then the household's dividends are split between the spouses to even out their incomes.
- Children, grandchildren, parents 18 and over: only if they work in the business an average of 20+ hours a week (or did in any five earlier years). Enter the costs you pay for them (tuition, rent), their other income and until what age; the trust pays those costs with a dividend taxed at their rates, and the same amount comes off your spending. **Include those costs in your lifestyle spending** so the saving shows.
- Each person's status is shown in green or red as you enter them.

The sale with a trust. The freeze splits the gain: the part up to the value frozen at the start is the owner's (the owner's exemption), and the growth after it belongs to the trust. The trust spreads its part across the family: first the spouse's exemption, then any of the owner's left, then each family member's, up to one exemption each; anything left is taxed to the owner. On a sale to an unrelated buyer, minors can claim their own exemption too (TOSI doesn't apply to these gains); to a related buyer a minor's share is taxed as a dividend with no exemption. Growth shares issued at the freeze must be held **24 months** before a sale to qualify. Family members' after-tax shares count toward heirs.

Minimum tax (AMT). Since 2024, 30% of an exempt gain and all of a taxable gain count toward the alternative minimum tax. A family member with no other income who claims a full exemption owes about **$50,000** (Ontario); an owner with a large taxable gain can owe more. The plan counts it as a cost in the year of sale; part of it can often be recovered over the next 7 years against regular tax.

Life insurance in the company. In the business-owner edition, the life insurance section on the Properties step has **Who owns and pays for the policy**: you personally, or your (holding) company. A company-owned policy is paid with corporate dollars, so no dividend, and no personal tax, is needed to fund the premiums. At the second death the company receives the benefit tax-free, it goes into the capital dividend account, and it is paid to the heirs as a tax-free capital dividend (through the estate, with probate, unless the shares pass under a separate will). The shares are valued at death with the policy at its cash value, so the payout doesn't raise the tax on them. The plan page shows the premiums the company paid, the benefit, and how much less the heirs would get with the same policy owned personally: for the worked example with the policy sized to the tax bill, about $624,000. It assumes the policy's own cost base (ACB) has run down to nil by death, so the whole benefit is a capital dividend.

On the plan page, the **Your business** card shows the frozen value, the family's growth shares at the end, what the trust paid family members and its costs, and **Compare trust choices**: no trust against the three 21-year choices, each a full projection (to heirs, sustainable spending, lifetime tax including family members' and the 21-year tax, trust costs, and whether your spending is still met). It recommends the choice that meets your spending and leaves the most; it will say when a trust doesn't pay for itself, and when it lowers what you could safely spend.

With a sale planned, the card also shows **Sale of the business**: the price less costs, the gain on your frozen shares and on the family's growth shares, how much was made tax-free and whose exemptions were used, the estimated minimum tax, and what family members keep after tax. Above the trust comparison is a **checklist** of points for and against a trust (a planned sale above one exemption, family members working in the business, the spouse after 65, minors, a professional corporation, the costs), and **Compare when to start** runs no trust against a trust started now, in 3 years and in 5 years: a later freeze passes less growth to the family's exemptions, against a few more years without trust costs and, if the shares pass to the children at 21 years, a later limit on what the parents can draw. The **Corporation** table adds what went to the holding company, the spouse's share of dividends, payments to family members and their tax, trust costs, and the owner's frozen and the family's growth shares.

With a sale added to the business-owner example (a $2.5 million practice growing 3% a year above inflation, sold at 65, one working adult child), the trust uses three exemptions instead of one, sheltering about $3.8 million of a $4.4 million gain, and starting it in 5 years leaves the family about $540,000 more than no trust; starting now captures more of the sale but, with the shares passing to the children at 21 years, cuts what the parents could safely spend. Without a sale, for the business-owner worked example (Alex, a professional with $350,000 of profit), with the trust ticked and two family members added (a 20-year-old working in the business and a 15-year-old, each with $20,000 of costs), the comparison recommends **no trust**: only the 20-year-old can be paid, the 15-year-old is caught by TOSI, and $72,000 of trust costs outweigh the savings. Passing the shares to the children at 21 years would leave the parents short at 90.

5. Saving, sharing and exporting

Plans are not stored on a server, so **save a file for every client plan** you want to keep.

Task	How
Keep a client's plan	Header **Save** downloads a .json file of the inputs. Name it clearly, e.g. `Smith_plan_2026-09.json`, and file it with the client's records.
Reopen a plan	Header **Open**, then pick the .json file. It replaces whatever is on screen.
Give a client the numbers	On step 7, **Download Excel workbook**.
One table for analysis	On step 7, choose a table tab, then **Download CSV**.
Paper copy	On step 7, **Print**. Buttons and navigation are hidden in print.

What the Excel workbook contains

- **Summary** — "Frontwater Capital — Financial Plan", date prepared, province, household, dollar basis, plan status, sustainable spending, amount to the children, average retirement tax rate, and the disclaimer.
- **Cash flow**, **Net worth**, **Income tax** and **Portfolio** — the four tables, year by year, with Frontwater navy headers.
- **One sheet per account** — start, contributions, growth, withdrawals and end each year.

The workbook uses whichever basis the toggle is on (today's or future dollars), and the file name says which: `frontwater-financial-plan-real.xlsx` or `-nominal.xlsx`.

Sharing with a client

Send the link fpcalculator.frontwater.ca. A client can build their own plan and send you their saved .json file, which you open to review. Remind them the page is an estimate, not advice; the footer says so too. Every page's footer also links to a downloadable copy of this guide (**Training manual (PDF)**); that copy leaves out section 9, which is for Frontwater staff only.

6. Training exercise

Allow 25 minutes. Click **Load example** to start from the sample couple: Alex (born 1981, $98,000) and Sam (born 1983, $76,000) in Ontario, with RRSPs, TFSAs, joint non-registered and cash accounts, an RESP for children aged 12 and 9, an $850,000 home with a $320,000 mortgage over 18 years ($2,157 a month) and $7,000 of property tax, a $650,000 cottage, a $45,000 car in 2029 financed over 5 years at 6.5%, and lifestyle spending of $5,417 a month now and $5,667 a month ($68,000 a year) in retirement, split by category.

Baseline to check first

The live strip should read: ✓ **Money lasts**, retirement **2045**, sustainable spending **$90k/yr**, to heirs **$3.52M**, net worth today **$1.75M**. If it doesn't, click Load example again.

Change one thing at a time, then reload the example

#	Change	Where	Expected result
1	Alex retires at 60 and Sam at 59	Step 2	Retirement moves to 2042; plan now runs short (from 2078); sustainable spending falls to $68k, just at the target
2	Lifestyle spending in retirement $7,500 a month ($90,000 a year)	Step 5	Runs short from 2078; sustainable spending stays about $90k, so the target is just too high
3	Equities return 4.5%	Step 6	Still lasts; sustainable spending falls to about $74k
4	Both start CPP and OAS at 70	Step 2	Still lasts; sustainable spending rises to about $95k and heirs to about $3.80M
5	Both start CPP at 60	Step 2	Still lasts; sustainable spending falls to about $81k
6	Withdrawal order RRSP/RRIF first	Step 6	Still lasts; sustainable spending about $89k, versus $90k with tax-smart
7	Untick pension splitting	Step 6	Still lasts; about $1k a year less to spend
8	Set both RRSPs to **Maximum**	Step 3	Shows $15,000 and $12,000 this year; still lasts; sustainable spending about $92k and heirs about $3.63M
9	Untick “We own a cottage”	Step 4	Net worth today falls to $1.09M, but sustainable spending rises to about $116k without the cottage costs
10	**Fill in typical amounts** on the lifestyle budget	Step 5	Typical for this household is $8,860 a month now and $6,800 in retirement, far above what they actually spend: the plan runs short from 2049. A reminder that typical amounts are only a starting point

#	Change	Where	Expected result
11	Add a joint rental: value $600,000, cost $450,000, bought 2019, mortgage $300,000 at 5% over 20 years, net income $24,000 a year	Step 4	Mortgage $1,971 a month; net worth today about $2.08M; sustainable spending about $108k; heirs about $5.06M
12	On that rental, choose **Claim it every year** for depreciation (building 75%, UCC 0)	Step 4	First-year tax about $2,900 lower; the depreciation is taxed back at death (about $298k recaptured), yet heirs rise to about $5.17M because the tax saved earlier is invested

Figures are in today's dollars and rounded; small differences from rounding are fine.

Then try the advisor tools

1. Reload the example and open step 7.
2. Run **Find the best yearly deposits** with each of the three goals and compare the recommendations and their reasons.
3. Run **Compare ways to pass on the cottage** and note which strategy is recommended and why.
4. Run the **what-if analysis**, open **Explain the results in words**, and compare its summary with the charts.
5. Download the Excel workbook and check the Summary sheet matches the screen.

Talking points for clients

- Deferring CPP and OAS is longevity insurance: it pays more for longer (exercise 4).
- Retiring earlier costs more than it looks: fewer saving years and more years to fund (exercise 1).
- Return assumptions matter; show a lower-return case before promising a spending level (exercise 3).

7. How the model works and its limits

The calculator is a deterministic, year-by-year projection: one set of assumptions, one path, no market ups and downs. Treat results as a planning estimate to discuss, not a forecast or advice.

Each year, in order

1. Ages advance; an RRSP becomes a RRIF at 72 (end of the year the owner turns 71), and a LIRA or DC plan becomes a LIF at retirement (55 at the earliest) or 72.
2. Income is calculated: employment (until retirement age), CPP/QPP (see below), OAS, DB pension, other income, and each rental's rent less its running costs and mortgage interest (less any depreciation, which can't create a loss). A rental being sold that year is sold at the end of the year, 5% selling costs, the mortgage paid off from the proceeds.
3. Lifestyle spending (the monthly budget × 12), one-time expenses and car payments, the mortgage (interest and principal, month by month), property tax, debt payments, cottage costs, insurance premiums and planned savings are set. New RRSP and TFSA room is added.
4. RESP payouts go to children aged 18–21; an FHSA used for a home is added to the home.
5. RRIF and LIF minimums are taken, then (tax-smart order) extra RRSP/RRIF withdrawals up to the target income.
6. The calculator finds the smallest extra withdrawal, in the chosen order, that covers spending plus tax. For couples it also picks the pension split that minimises household tax. While anyone is still working, a shortfall is met from cash and non-registered savings first, then by cutting that year's planned RRSP, TFSA, FHSA and non-registered deposits (the room is kept for later), and only then from the TFSA and, last, the RRSP.
7. Any surplus is invested (or spent); every account grows at its mix's return; the mortgage and debts amortise.

Flows are assumed to happen mid-year. Dollar inputs marked today's $ grow with inflation.

CPP/QPP. The entered % of the maximum sets the base pension. For someone who hasn't started yet, the maximum grows with average wages (inflation plus the wage growth assumption) until it starts, then with prices. On top, the plan adds the CPP enhancement each person will have earned by then: 8.33% of earnings up to the YMPE for contributions since 2019 (phased in over 2019–2023) and 33.33% of earnings between the YMPE and YAMPE since 2024, each as a share of 40 years. It reproduces the 2026 maximum of $1,507.65 a month; a maximum earner retiring around 2060 gets about 40% more in today's wages.

Tax and benefits built in

- 2026 federal and provincial/territorial brackets and basic personal amounts, indexed by the plan's inflation rate (Manitoba brackets are not indexed).
- Age amount (with each province's own income threshold), pension credit, Canada employment amount, eligible dividend gross-up and credit, Quebec abatement, Ontario surtax and health premium, Saskatchewan's senior supplementary amount, the Manitoba and Yukon basic amounts shrinking at high incomes.
- Base CPP/QPP, EI and QPIP contributions earn the credit; the enhanced CPP/QPP (first enhancement and CPP2) is deducted from income. Quebec gives no provincial credit for contributions and has a 6% deduction for workers.

- British Columbia holds its brackets and credits at 2026 levels for 2027–2030; Manitoba no longer indexes; the others index with inflation.
- OAS recovery tax at 15% above $95,323 (2026), deducted before tax.
- CPP/CPP2, QPP, EI and QPIP employee premiums on employment income.
- RRIF minimum factors; LIF maximums (6%-to-age-90 formula).
- Non-registered accounts: interest and dividends taxed yearly; half of realised capital gains taxed on withdrawal, tracked against the adjusted cost base.
- Rentals: net rental income or loss taxed with the owner(s) each year; half the gain taxed on a sale; depreciation claimed is taken back as fully taxable income (recapture), up to the building's cost, or a terminal loss is deducted.

At death

Each person dies at the end of their plan-to age. The first death rolls everything to the survivor tax-free, adds a CPP survivor benefit (capped at the maximum pension) and any DB survivor pension, and cuts spending to the survivor percentage. At the second death, registered plans are taxed as income and capital gains on non-registered investments, the cottage and any rentals still owned are taxed, after sharing the principal residence exemption, and depreciation claimed on rentals is recaptured as income. Rentals owned by the spouse who dies first roll to the survivor tax-free. Probate is charged on assets passing through the will. RRSPs, RRIFs and TFSAs pass to beneficiaries outside the will, so they avoid probate.

Simplifications to mention to clients

Area	What the model does not do
Markets	No volatility or sequence-of-returns risk; one average return every year.
CPP/QPP	Uses a % of the maximum rather than the client's earnings history.
Low-income benefits	No GIS or provincial top-ups.
Spousal RRSP	Attribution rules are not modelled.
RESP	Leftover money after school is not taxed, grants are not repaid, and payouts are not split into the student's taxable part. No catch-up CESG or Canada Learning Bond.
Provincial credits	Age, pension and dividend credit amounts are close approximations.
Insurance	The premium rate is a placeholder until you enter a real quote.
Quebec and Alberta credits	Quebec's age, living-alone and pension amounts use the same income test as other provinces rather than family income. Alberta's supplemental credit on large claims isn't modelled.
Foreign dividends	Taxed like interest; foreign withholding tax and the foreign tax credit are ignored.
Cottage sold for a note	Land transfer tax is included for Ontario and BC only. How the note is forgiven needs a lawyer: forgiving it too early can end the capital gains reserve. Years the cottage was owned before the home count as if the family had no other principal residence.

Area	What the model does not do
Typical spending	The typical amounts are estimates scaled from Statistics Canada averages, not a measurement of the client.
Business sale	The operating company's shares are sold at the value entered, grown; the holding company's investments are assumed moved out beforehand (purification) and kept. Minimum tax is an estimate (Ontario 24.63% of federal, other provinces about 30%) with no carry-forward recovery. Earnouts, reserves over 5 years and asset sales aren't modelled.
Family trust	TOSI's "reasonable return" test for 25+ and the excluded-shares exception (shares owned directly) aren't modelled; the corporate attribution rules, the value of the freeze shares, dividends paid to children after the 21-year rollout, and income taxed inside the trust are simplified. It shows whether a trust is worth discussing; the structure itself needs a lawyer and tax adviser.
Rentals	Depreciation's no-loss limit is applied property by property (CRA applies it across all of a person's rentals). No first-year rules for buying a new rental later, and no separate classes for appliances or furniture.

For most households these change results by little. For plans near the edge (a shortfall in a late year, or tight headroom), run a lower-return case and confirm key decisions with a detailed plan.

8. FAQ and troubleshooting

Question	Answer
How do I change the retirement year?	Change **Retirement age** for each person on step 2. The retirement year is the first year neither spouse works, so it follows the later retiree.
What does sustainable spending mean?	The highest retirement lifestyle spending (per year, today's $, after tax) at which the plan never runs short and the heirs still receive at least the estate goal. The calculator finds it by raising retirement spending until one of those fails. It is lifestyle only: the mortgage, property tax, car loans, cottage and rental costs and insurance are paid on top. Spending before retirement stays as entered, and the slow-down and survivor cuts still apply. Above the target means headroom; below means the target isn't affordable.
What goes in lifestyle spending?	The categories on step 5: groceries, clothes, vacations, entertainment, fuel, insurance, utilities and the like, per month. Not income tax, property tax, the mortgage, loans, car financing or savings: those have their own lines.
Where do the typical amounts come from?	Statistics Canada household spending averages, in 2026 dollars, adjusted for the household's age, size, children, income, province and home ownership. They live in `public/budget.js` and can be tuned there.
My old saved plan had one annual spending figure	It opens split into categories in typical proportions, keeping the same total (to within a few dollars from rounding). Switch to **One total** to keep a single figure.
Should rental income go under Other taxable income?	No. Add the property on step 4, so its mortgage, costs, tax, sale and estate tax are all counted.
What if a client has claimed depreciation on a rental?	Choose **Claimed in past years** (or **Claim it every year**) and enter the UCC from their T776. Otherwise the plan understates the tax on a sale or at death.
How is the mortgage payment worked out?	From the balance, rate and years left, with Canadian semi-annual compounding ($500,000 at 5% over 25 years is $2,908.02 a month). Set the years to 0 to type a payment instead.
Is the RESP included?	Yes. Enter children's ages on step 1 and an RESP account on step 3. Contributions come from household cash, earn the CESG, and pay out at 18–21 (leaving the household). See the RESP limits in section 7.
Why is "to heirs" so large?	It includes the home and cottage, and it is the estate at the end of the plan in today's dollars, after final tax and probate. Switch to Future dollars to see the nominal amount.
Why does the plan run short in a late year only?	Spending continues to the plan-to age; a small late shortfall often disappears with the slow-down spending cuts on step 5 or a slightly lower target.
The numbers didn't change when I edited a field	Fields update as you type; calculated amounts such as the mortgage payment update when you leave the field. If a figure seems stuck, refresh the page; the inputs are kept.

Question	Answer
I opened the page and someone else's plan is there	The browser remembers the last plan on that device. Save it if needed, then click **Start over**.
The Excel button says the library is still loading	Wait a few seconds and click again. It needs an internet connection the first time.
The optimizer card says inputs have changed	The recommendation is out of date. Click **Run again**.
No FHSA appears in the deposit advice	Tick **First-time home buyer** for that person on step 3.
Can clients use it on their phone?	Yes. The steps scroll sideways and the tables scroll inside their box.
Does anything get sent to Frontwater?	No. Everything stays in the browser unless the client saves and emails you the file.
What about clients who own a corporation?	Use the business-owner edition at fpcalculator-complex.frontwater.ca. It adds a Your business step, salary versus dividend advice and a Corporation table.